

District I

1625 N. French Dr., Hobbs, NM 88240

District II

1301 W. Grand Ave., Artesia, NM 88201

District III

1000 Rio Brazos Rd., Aztec, NM 87410

District IV

1220 S. St. Francis Dr., Santa Fe, NM 87505

RECEIVED
CONSERVATION DIVISION
1220 South St. Francis Dr.
Santa Fe, NM 87505
APR 30 2010
HOBBSOCD

WELL API NO.

30-025-39603

5. Indicate Type of Lease

STATE ☒ FEE ☐

6. State Oil & Gas Lease No.

303998

7. Lease Name or Unit Agreement Name

PADDY 18 STATE

8. Well Number

3

9. OGRID Number

256512

10. Pool name or Wildcat

WILDCAT G-03 5173318N; YESO

SUNDRY NOTICES AND REPORTS ON WELLS
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT" (FORM C-101) FOR SUCH PROPOSALS.)

1. Type of Well: Oil Well ☒ Gas Well ☐ Other ☐

2. Name of Operator

CML EXPLORATION, LLC

3. Address of Operator

P.O BOX 890
SNYDER, TX 79550

4. Well Location

Unit Letter L : 1650 feet from the SOUTH line and 650 feet from the WEST line

Section 18

Township 17S

Range 33E

NMPM

County LEA

11. Elevation (Show whether DR, RKB, RT, GR, etc.)

4174'

12. Check Appropriate Box to Indicate Nature of Notice, Report or Other Data

NOTICE OF INTENTION TO:

PERFORM REMEDIAL WORK ☐ PLUG AND ABANDON ☐

TEMPORARILY ABANDON ☐ CHANGE PLANS ☐

PULL OR ALTER CASING ☐ MULTIPLE COMPL ☐

DOWNHOLE COMMINGLE ☐

OTHER: ☐

SUBSEQUENT REPORT OF:

REMEDIAL WORK ☒ ALTERING CASING ☐

COMMENCE DRILLING OPNS. ☐ P AND A ☐

CASING/CEMENT JOB ☐

OTHER: ☐

13. Describe proposed or completed operations. (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work). SEE RULE 19.15.7.14 NMAC. For Multiple Completions: Attach wellbore diagram of proposed completion or recompletion.

SEE ATTACHED DAILY COMPLETION REPORT

Spud Date:

12/19/2009

Rig Release Date:

01/12/2010

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Nolan von Roeder TITLE ENGINEER DATE 04/29/2010

Type or print name Nolan von Roeder E-mail address: vonroedern@cmlxp.com PHONE: 325/573-1938

For State Use Only

APPROVED BY: [Signature] TITLE PETROLEUM ENGINEER DATE MAY 19 2010

Conditions of Approval (if any):

CML EXPLORATION, LLC
P.O. DRAWER 890
SNYDER, TX 79550
325/573-1938

PADDY 18 STATE NO. 3

Sec. 18, T-17-S, R-33-E
Lea County, New Mexico
Property Code #303998 – API #30-025-39603

DAILY COMPLETION REPORT

- 02/08/10 MIRUPU. NUBOP. Picked up new 2-3/8" J55 tubing. Tripped in the hole & tagged PBTD @7136'. Pulled out of the hole & stood back tubing. SWIFN.
- 02/09/10 Stood by – waiting on wireline truck. Rigged up wireline truck. Ran GR/CBL/CCL from PBTD (7124' wireline measurement) to 5250'. Had good cement and bond. Top of cement @2850'. Perforated lower Blinbry (7071-82') 2 spf, 90° phasing w/3-3/8" casing gun. Rigged down wireline truck & shut well in for the night.
- 02/10/10 Tripped in the hole with 2-3/8" tubing & model "R" packer to 7084'. Spotted 200 gallons of 15% NeFe acid. Moved & set packer @6866'. Pressured up to 500 psi on casing & packer, held. Started out on water. Broke formation down @2370 psi. Established pump-in rate @3 bpm @4200 psi. Started down hole with remaining 1500 gallons of acid & 50 ball sealers. With 9 bbls of acid in tubing, casing pressure increased to 3200 psi. Shut down. Bled off pressure. Moved & reset packer @6864'. Continued with water. Flushed acid @2 bpm @3400 psi, casing pressure @2400 psi. ISIP = 2988 psi, 5 min = 2495 psi, 10 min = 2431 psi & 2403 psi in 15 min. Pumped 580 gallons of acid into the formation. Pulled out of the hole with packer & tubing. Tripped in hole with another model "R" packer & set @6866'. Pressured up on casing & packer to 500 psi. Still had a leak. Dropped standing valve. Pressured up on tubing to 1000 psi & hold. SWIFN.
- 02/11/10 Pulled out of the hole with tubing & model "R" packer. Tripped in with Arrow-set packer & set @6853'. Pressured up on casing & packer to 500 psi & held. Treated with 1500 gallons of 15% HCL NeFe acid & 50 ball sealers. Treated @3.7 bpm @4100 psi. Balled out with 30 balls on formation. Shut down & surged balls off. Continued flush @3.1 bpm @3400 psi. Casing pressure increased from 385 psi to 700 psi after surging balls off. ISIP = 2674 psi, 5 min = 2503 psi, 10 min = 2483 psi & 15 min = 2469 psi. Casing pressure increased from 700 psi to 1850 psi in 15 min. Flowed tubing to test tank & bled pressure off casing. Recovered 40 bbls of water on flowback. Started swabbing. Swabbed dry in 10 runs. Total fluid recovered 76 bbls, load from acid job was 84 bbls. Shut down & waited one hour. Had 500' of fluid entry after one hour. Waited one hour, made another run & had 700' of entry. No show of oil or gas. Total fluid recovered was 80 bbls. SWIFN.
- 02/12/10 Had slight blow on tubing & 20 psi on the casing. 1st swab run, had fluid @4000' from the surface. Swabbed dry in 3 runs. Recovered 13 bbls of water, no oil or gas. Waited one hour between runs. Made 3 runs & had 300' – 500' of entry every hour, no oil or gas. Recovered a total of 96 bbls of water. Rigged down swab. Released packer & tripped out of the hole. Shut well in for the weekend. Will move up hole Monday.

Paddy 18 #3 daily completion report – Page 2

- 02/15/10 Rigged up wireline truck. Ran in the hole w/3-3/8" casing gun & perforated lower Blinebry (1 spf, 90° phasing, 90 grams, 0.42") at (6979-83'), (6965-68'), (6943-45'), (6912-15'), (6902-06'), & (6892-94'). Perforated middle at (6831-33'), (6819-21'), (6809-11'), (6788-90'), (6772-75'), (6759-61'), (6749-54'), (6732-34'), (6720-22') & (6714-6716). Set CIBP@7050'. Ran in the hole with tubing and packer. Tested tubing in the hole to 6000 psi, did not find any leaks. Set packer @7043'. SWIFN.
- 02/16/10 Rigged up acid pump truck. Pressured up on tubing to 3000 psi and tested CIBP good. Released packer and moved up to 6985'. Spotted 260 gallons of 15% HCL across new perfs. Moved & set packer@6631'. Pressured up on casing & packer to 500 psi & held. Broke formation down @2900 psi. Treated with remaining 4000 gals. 15% HCL NEFE & 80 ball sealers. Had good ball action, balled out with 60 balls on. Surged off & continued flush with 2% KCL water. Treated @4160 psi, 4.3 bpm. ISIP = 2930 psi, 5 min = 2658 psi, 10 min = 2622 psi, 15 min = 2600 psi. Rigged down acid pump & began flow back to the test tank. Flowed 60 bbls to the tank. Rigged up swab. Swabbed dry after making 13 runs and a total of 113 bbls to the tank. Shut down & waited one hour. Had 1300' of entry, 2% oil cut. Waited another hour, had 1400' of entry with 8% oil cut. Recovered 123 bbls of fluid. Load from acid job was 158 bbls. SWIFN.
- 02/17/10 SITP = 20 psi. Fluid level @3500' from the surface, 400' of free oil on the 1st run. Swabbed dry with 13 bbls. Waited one hour. Had 800' of entry, 10% oil cut. Waited two hours had 1300' of entry with 12% oil cut. Recovered 144 bbls of 158 bbl load. SWIFN.
- 02/18/10 SITP = 50 psi. Fluid level @4300' from surface, had 800' of free oil. Rigged down swab & unset packer. Tripped out of the hole & laid down tubing. NDBOP, NUWH & shut well in. RDMOPU. Waiting on frac.
- 03/11/10 Rigged up Frac Tech services & Guardian casing saver. Frac 1st Blinebry stage w/1000 gals 15% HCL acid, 177,450 gals 20# gel + 131,330 lbs 16/30 TG sand + 30,816 lbs Super LC 16/30 sand staged from 0.5 to 3 ppg. Avg rate = 63.8 bpm, Avg press = 4451 psi, Max rate = 71.3 bpm & Max press = 4945 psi. Flushed w/1500 gals 15% HCL & linear gel. ISIP = 3072 psi, 5 min = 2920 psi, 10 min = 2895 psi & 15 min = 2885 psi. Rigged up wireline & set 5½" flowthru composite plug @6660'. Perforated Upper Blinebry (6393-95'), (6399-6402'), (6407-09'), (6455-60'), (6468-72'), (6504-06'), (6515-19'), (6525-29'), (6540-49'), (6597-99') & (6610-18') w/3-1/8" guns & 1 spf. SWIFN.
- 03/12/10 Frac 2nd stage w/additional 2000 gals 15% HCL acid, 175,770 gals 20# gel + 139,790 lbs 16/30 TG sand + 29,424 lbs 16/30 Super LC sand staged from 0.5 to 3 ppg. Avg rate = 67.3 bpm, Avg press = 4450 psi, Max rate = 72.3 bpm & Max press = 5122 psi. Flushed w/linear gel. ISIP = 3172 psi, 5 min = 3026 psi, 10 min = 2985 psi, 15 min = 2944 psi. Total lead = 8518 bbls. Shut well in. Rigged down Frac Tech & Guardian. Nipple up flowback flange.

Paddy 18 #3 daily completion report – Page 3

- 03/13/10 SICP = 1750 psi. Moved in & rigged up flowback manifold. Began flow in back to test tank & opened choke to 21/64". Flowed 203 bbls back in the first hour. Opened choke up to 26/64" with pressure at 1300 psi. Recovered 202 bbls of fluid in the second hour. Had a small amount of sand with bottoms up. Continued flowing to the test tank. After 5 hours had choke open full with 100 psi on the casing. After 12 hours 1250 bbls of fluid with no sand, casing pressure down to 15 psi & rate 25 bph. Continued flowing. After 24 hours recovered a total of 1501 bbls, full open choke, casing pressure 10 psi & rate 15 bph. Released flowback crew & left well open to the test tank @7:00 a.m. 03/14/10.
- 03/16/10 MIRUPU. ND frac valve & NUBOP. Picked up 6 - 3½" drill collars & used 4-3/4" bit. Picked up 2-3/8" tubing & tripped in hole. Tagged sand @6558'. Rigged up reverse rig. Washed through sand to composite plug @6650' & drilled out plug. Pushed plug down to sand @6980'. Drilled up what was left of the plug & washed out sand to PBTD @7050'. Circulated clean. Tripped out of the hole. Laid down bit & drill collars. Rigged down reverse rig. SWIFN.
- 03/17/10 Ran in the hole with production assembly & 2-3/8" tubing. NDBOP. Set TAC. NUWH. Picked up new rod pump & rods. Ran in the hole & spaced out pump. Left stacked out on stuffing box. RDMOPU. Waiting on pumping unit.

TUBING DETAIL

201 – jts 2-3/8" tubing
1 – 5-1/2" x 2-3/8" TAC
2 – jts 2-3/8" tubing
1- 2-3/8" seat nipple @6401'
1 – 2-3/8" perf sub
1 – jt 2-3/8" tubing mud anchor w/bullplug

ROD DETAIL

1 – 7/8" x 6' sub
139 – 7/8" steel "D" rods (new)
107 – 3/8" steel "D" rods (new)
9 – 7/8" steel "D" rods (new)
1 – 7/8" sub w/guides
1 – tap tool
1 – back off tool
1 – 2" x 1½" x 20' pump
1 – 1" x 6' sand screen